



Town of Harpswell
Office of Town Administrator
P.O. Box 39
Harpswell, ME 04079

February 14, 2006

The Board of Selectmen engaged Runyon, Kersteen and Ouellette (RKO) of South Portland, Maine to perform an independent audit of the financial statements of the Town of Harpswell for fiscal year 2005 (January through December).

For the first time ever, the Town has provided an electronic version of its entire financial statements on the Town's website at www.harpswell.maine.gov. As part of the online report you will find that RKO has issued an unqualified opinion on the financial statements of the Town. You may also review the print version of the financial statements at the Town Office.

In addition, RKO provided a management letter to the Town.

Following are extracts from the financial statements which provide an overview of Harpswell's finances. Please note that where the term "original budget" is used with reference to expenditures, it means the amount was adopted by the Town Meeting. Other amounts were carried forward from previous years.

These tables follow:

- Statement 4: Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
- Exhibit A-1: Comparative Balance Sheets
General Fund
- Exhibit A-2: General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis of Accounting)
- Exhibit B-2: Other Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Please let us know if you would like other information to be provided in the Annual Report in future years. The transition to the new Town auditors was virtually seamless, largely thanks to the cooperation and assistance of our staff, particularly that of the Town's Treasurer.

Sincerely,

Kristi K. Eiane
Town Administrator